



STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT

Mike Dunleavy, Governor
Julie Sande, Commissioner
Keith Kurber II, Chairman

Regulatory Commission of Alaska

June 2, 2023

In reply refer to: Finance Section
File: PC27-0417L
LO#: L2300168

James Nathaniel, Jr.
Tribal Administrator
Chalkyitsik Village Energy System
P.O. Box 57
Chalkyitsik, AK 99788

Dear Mr. Nathaniel, Jr.:

On June 1, 2023, the Commission approved updated **Permanent** Power Cost Equalization (PCE) amount(s) in cents per kilowatt-hour (¢/kWh) for Chalkyitsik Village Energy System (CHALKYITSIK), for the listed classes of customers as follows:

Residential	67.72¢
All Others	67.72¢

The revised PCE amount(s) result from the review of CHALKYITSIK's Fuel Report filed on May 12, 2023. The PCE amount(s) are effective for bills rendered on or after June 2, 2023. A copy of the Commission Staff's recommendations and schedules are attached as an Appendix.

CHALKYITSIK is reminded of its obligation under the PCE legislation to provide its customers with the notice specified in AS 42.45.120 or similar notice approved by the Alaska Energy Authority.

CHALKYITSIK is also reminded of its obligation under 3 AAC 52.620 and 3 AAC 52.640 to notify the Commission of any change in its rates, surcharges, fuel costs, and/or efficiency of operation, and advises CHALKYITSIK that a failure to comply with those reporting requirements could jeopardize continued participation in the program.

If CHALKYITSIK believes that the calculation used to establish the PCE amount set out above is incorrect, it should seek reconsideration setting forth why it believes the calculation is in error. Any reconsideration request must be submitted within 15 days of the date of this Letter Order.

If you have any questions regarding the calculation of PCE amount(s), please contact Utility Financial Analyst Brenda Cox at (907) 263-2131.

BY DIRECTION OF THE COMMISSION

Sincerely,

REGULATORY COMMISSION OF ALASKA

Kevin AufDerHeide

Kevin AufDerHeide (Jun 2, 2023 09:21 AKDT)

Kevin AufDerHeide

Finance Section Manager

cc: Tim Sandstrom, Alaska Energy Authority

STATE OF ALASKA

**DEPARTMENT OF COMMERCE,
COMMUNITY & ECONOMIC DEVELOPMENT**
REGULATORY COMMISSION OF ALASKA

MIKE DUNLEAVY, GOVERNOR

701 WEST EIGHT AVENUE, SUITE 300
ANCHORAGE, ALASKA 99501-3469
PHONE: (907) 276-6222
FAX: (907) 276-0160
TTY/Alaska Relay: (800) 770-8973
WEBSITE: <http://rca.alaska.gov>

DATE: June 2, 2023

INVOICE#: 27-0417L

DATE DUE: July 2, 2023

James Nathaniel, Jr.
Tribal Administrator
Chalkyitsik Village Energy System
P.O. Box 57
Chalkyitsik, AK 99788

Fee for Commission Staff analysis and recommendations Re:

FILE #: PC27-0417L

LO #: L2300168

Fuel Report under the Power Cost Equalization Program

Amount Due: \$ 39

TOTAL AMOUNT DUE: \$ 39

MAKE CHECK PAYABLE TO: **STATE OF ALASKA**

PLEASE REMIT CHECK AND COPY OF THIS INVOICE TO:

**REGULATORY COMMISSION OF ALASKA
701 W. 8TH AVE., SUITE 300
ANCHORAGE, AK 99501-3469**

If you have any questions, please contact Naomi Johnston at (907) 263-2132 or
naomi.johnson@alaska.gov.

Chalkyitsik Village Energy System

FILE #: PC27-0417L

Amount Due: \$ 39

LO #: L2300168

Check Number _____

Please tear along dotted line and submit payment with bottom portion. Thank you.

Power Cost Memorandum Fuel Cost Update

Date: June 1, 2023

Utility Name (Cert. No.) (682) CHALKYITSIK VILLAGE ENERGY SYSTEMS	Utility File No. PC27-0417L	Date Filed: 5/12/2023
-----------------------------------------------------------------------------	---------------------------------------	---------------------------------

PCE AMOUNT SUMMARY	Previously Approved PC27-0417K	Staff Recommended Amount(s) and Effective Date PC27-0417L
Class Rate	<u>Date Approved:</u> July 16, 2023	June 2, 2023
Residential	\$0.5124	\$0.6772
All Others	\$0.5124	\$0.6772
<input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent <input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent		

Prior Fuel Purchase Price: \$ <u>4.2463</u>	New Fuel Purchase Price: \$ <u>5.5360</u>
<input type="checkbox"/> Actual <input checked="" type="checkbox"/> Weighted	<input type="checkbox"/> Actual <input checked="" type="checkbox"/> Weighted
Delivery Charge: _____	Surcharge Change: Previous _____ Updated _____

Weighted Average Fuel Price/Gal. Calculation

	Gallons		Price				
On-hand before deliv.	4,000	X	4.2463	=	16,985.20		
Delivered	98,593	X	5.5883	=	550,967.26		
	<u>102,593</u>				<u>\$567,952.46</u>	Weighted	
						Average	
						<u>\$5.5360</u>	

Signed: Brenda Cox
Brenda Cox

Utility Financial Analyst

Commission decision re. this recommendation :

	Date (if different from 6/1/23)	I CONCUR	I DO NOT CONCUR	I WILL WRITE A DISSENTING STATEMENT *
Kurber		<u>KKT</u>		
Doyle		<u>BD</u> BD		
Pickett		<u>RMP</u> BP		
Wilson		<u>JWW</u> JWW		

Special Instructions to Staff:

* If this column is initialed, Staff will contact the Commissioner for the statement, otherwise, dissent will simply be noted at the close of the By Direction Letter or Order.

CHALKYITSIK VILLAGE ENERGY SYSTEMS

Appendix 1

POWER COST EQUALIZATION CALCULATION
BASED ON TEST PERIOD ENDING DECEMBER 31, 2016
Fuel Cost Update

	PC27-0417K		PC27-0417L
	Prior Commission Approval	Per Utility	Staff Recommended
A. Total kWh Generated	324,728	324,728	324,728
B. Total kWh Sold (Appendix 2)	246,931	246,931	246,931
C. Total Non-Fuel Costs (Appendix 2)	40,574	40,574	40,574
D. Non-Fuel Cost/kWh (C / B)	\$0.1643	\$0.1643	\$0.1643
E. Total Fuel Costs (Appendix 2)	140,977	183,795	183,795
F. Fuel Costs/kWh (E / B)	\$0.5709	\$0.7443	\$0.7443
G. Eligible Costs/kWh (D + F)	\$0.7352	\$0.9086	\$0.9086
H. Eligible Cost/kWh (G) less base rate in effect	\$0.5394	\$0.7128	\$0.7128
I. Lesser of (H) or 76.40 cents/kWh	\$0.5394	\$0.7128	\$0.7128
J. Average Class Rates (Appendix 3)			
Residential	\$0.7542	\$0.7542	\$0.7542
All Others	\$0.9542	\$0.9542	\$0.9542
Class Power Cost Equalization Per kWh Payable			
K. Lesser of: (I) x 95% or (J)			
Residential	\$0.5124	\$0.6772	\$0.6772
All Others	\$0.5124	\$0.6772	\$0.6772
L. Funding Level in Effect	100%	100%	100%
Residential	\$0.5124	\$0.6772	\$0.6772
All Others	\$0.5124	\$0.6772	\$0.6772

PC27-0417L
Appendix 1

CHALKYITSIK VILLAGE ENERGY SYSTEMS

Appendix 2

SCHEDULE OF ELIGIBLE POWER COSTS, SALES, AND EFFICIENCY
BASED ON TEST PERIOD ENDING DECEMBER 31, 2016
Fuel Cost Update

	PC27-0417K	PC27-0417L
	Prior Commission Approval	Per Utility Staff Recommended
Non-Fuel Costs:		
A. Personnel Costs	27,692	27,692
B. Operating Expenses	3,560	3,560
C. General & Administrative	8,991	8,991
D. Depreciation	331	331
E. Interest Expense	0	0
F. Other	0	0
G. Total Non-Fuel Costs	\$40,574	\$40,574
Fuel Costs:		
H. Gallons Consumed for Electric Generation	33,200	33,200
I. Price of Fuel:(per gal) Weighted Average	\$4.2463	\$5.5360
J. Total Cost of Fuel (H x I)	\$140,977	\$183,795
K. kWh Generated	324,728	324,728
L. kWh Sales	246,931	246,931
M. kWh Station Service	38,830	38,830
N. Efficiency (K /H) \geq 10.5	9.78	9.78
(kWhs generated per gallons consumed)		
O. Line Loss \leq 12%	12.00%	12.00%
(KWh Generated - (kWh sold + Station Service)/kWh Generated		

PC27-0417L
Appendix 2

UTILITY NAME: **CHALKYITSIK VILLAGE ENERGY SYSTEMS**
CALCULATION OF AVERAGE CLASS RATE PER kWh

Rate Schedule: Residential

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$ 0.1958
0 to 750	0.9500		0.9500	712.5000		
751 to						
to						
to						
Max 750			Total	712.5000	0.9500	0.7542

Rate Schedule: Commercial

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$ 0.1958
0 to 750	1.1500		1.1500	862.5000		
751 to						
to						
to						
Max 750			Total	862.5000	1.1500	0.9542

Rate Schedule: S/F Facilities

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$ 0.1958
0 to 750	1.1500		1.1500	862.5000		
751 to						
to						
to						
Max 750			Total	862.5000	1.1500	0.9542

Rate Schedule: Community Facilities

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$ 0.1958
0 to 750	1.1500		1.1500	862.5000		
751 to						
to						
to						
Max 750			Total	862.5000	1.1500	0.9542

CHALKYITSIK VILLAGE ENERGY SYSTEMS**Fuel Purchases**

	Delivery Date	Gallons	Cost per Gallon	Delivery/ Mark-Up per Gallon	Total Cost
Beginning Fuel Inventory		4,000.0			
Last Approved Fuel Cost/Gal.			\$ 4.2463		
Beginning Fuel Inventory in Gallons X Last Approved Fuel Cost/Gal. = Beginning Fuel Inventory Cost --				\$	16,985
Reporting Period Purchases					-
	09/03/20	4,360.6	3.8846		16,939
	10/05/20	4,360.0	3.8146		16,632
	11/27/20	4,660.1	4.0746		18,988
	01/12/21	4,490.1	4.2046		18,879
	02/12/21	4,490.9	4.3246		19,421
	03/09/21	4,360.0	4.6226		20,155
	04/07/21	4,360.6	4.5226		19,721
	05/05/21	4,490.1	4.6826		21,025
	07/20/21	4,490.4	4.7226		21,206
	09/27/21	4,491.0	5.0026		22,467
	11/10/21	4,360.0	5.1626		22,509
	12/15/21	4,439.0	5.0326		22,340
	01/20/22	4,600.1	5.7796		26,587
	02/23/22	4,362.0	5.8996		25,734
	03/30/22	4,660.0	7.1796		33,457
	04/08/22	4,600.0	6.8296		31,416
	09/23/22	4,503.0	7.1636		32,258
	11/09/22	4,500.0	7.1536		32,191
	01/06/23	4,441.0	7.1936		31,947
	01/31/23	4,633.0	7.3496		34,051
	02/03/23	4,501.0	7.3496		33,081
	02/24/23	4,440.0	6.7496		29,968
					-
Totals for Reporting Period Purchases on this sheet:		98,593			550,972
Grand Totals (beginning inventory plus purchases) A		102,593		B \$	567,957

Grand Total Cost divided by Grand Total Gallons = 5.5360 Weighted Avg. Cost per gallon
Purchases: Total Cost divided by Grand Total Gallons = 5.5883 Weighted Avg. Cost per gallon

Staff notes Chalkyitsik included the State motor fuel tax of \$0.08 in the cost per gallon of fuel on its Fuel Report. Staff removed the motor fuel tax from the amount reported to calculate the cost per gallon listed above. Staff removed it because fuel used by power plants for power generation are exempt and entitled to a refund of the motor fuel tax paid. (AS 43.40.015(d)(1), AS 43.40.030(d), and AS 43.40.100(C))

Signature: Keith Kurber II
Keith Kurber II (Jun 1, 2023 07:56 AKDT)

Email: keith.kurber@alaska.gov

Signature: Bob Doyle
Bob Doyle (Jun 1, 2023 08:25 AKDT)

Email: bob.doyle@alaska.gov

Signature: 
Bob Pickett (Jun 2, 2023 07:50 AKDT)

Email: bob.pickett@alaska.gov

Signature: Janis W. Wilson
Janis W. Wilson (Jun 2, 2023 08:39 AKDT)

Email: janis.wilson@alaska.gov